

CITY BUDGET OFFICE

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Dan Ryan, Commissioner
Carmen Rubio, Commissioner
Mingus Mapps, Commissioner
Jo Ann Hardesty, Commissioner
Mary Hull Caballero, Auditor



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CITY OF PORTLAND, OREGON

TO: Mayor Ted Wheeler
Commissioner Dan Ryan
Commissioner Carmen Rubio
Commissioner Mingus Mapps
Commissioner Jo Ann Hardesty
Auditor Mary Hull Caballero

FROM: Jessica Kinard
City Budget Director

DATE: March 25, 2021

SUBJECT: City Budget Office FY 2020-21 Requested Spring Supplemental Budget

The City Budget Office (CBO) has prepared the following Spring Supplemental Budget. There are no transactional requests included in this submission. The CBO is projected to finish FY 2020-21 within 2% of appropriation levels. This supplemental budget request includes:

- Report on Budget Note status
- Bureau projections for revenue and expenses through the end of the fiscal year

Please do not hesitate to contact me with any questions regarding this submission.

FY 2020-21 Budget Note Update

City Budget Office

Date of Budget Note: July 1, 2020 in the FY 2020-21 Adopted Budget

Budget Note Title: One-time Waiver of Capital Set Aside

Budget Note Language: One of the most critical looming challenges facing the City is our capital asset funding gap, totaling hundreds of millions of dollars and growing. City financial policy dictates that the City's financial plans include investments necessary to manage existing and future capital assets and equipment in order to ensure financial sustainability and continuity of City services across generations. A critical component of this policy is the requirement that at least 50% of one-time General Fund discretionary resources be set aside and allocated for critical capital improvement projects related to emergency preparedness, parks, and transportation. In order to adapt to the sudden, unprecedented decline in resources related to the COVID-19 emergency, the FY 2020-21 Budget waives financial policy and does not allocate the required funding for capital projects in order to preserve jobs and services in the near term. This waiver of this policy should be seen as a one-time occurrence; this Council intends to fully comply with Financial Policy and the allocation of capital set aside resources in the future. Additionally, projects scored in the capital set-aside process shall be affirmatively considered for any eligible funds received from State or Federal stimulus packages.

Summary Status: Complete

Budget Note Update: March 25, 2021

The FY 2020-21 Adopted Budget included a one-time waiver of the City's financial policy which dedicates 50% of one-time General Fund resources be set aside for capital improvement projects in support of emergency preparedness, parks, and transportation projects. This action was necessary to provide resources to cover the shortfall of revenue projected as a result of the economic downturn from the COVID-19 public health crisis. The FY 2020-21 Fall BMP reestablished the practice of setting aside one-time General Fund discretionary resources for these projects as part of the FY 2021-22 budget development process. Approximately \$4.1 million is currently in the policy reserve for this purpose.

Business Area Projection Report

City Budget Office - Fund 100

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
External Materials and Services	\$313,665	\$178,478	\$289,962	92%
Internal Materials and Services	\$427,575	\$260,822	\$400,673	94%
Personnel	\$2,244,377	\$1,386,646	\$2,203,491	98%
Sum:	\$2,985,617	\$1,825,947	\$2,894,126	97%

Major Object	2020-21 SPRING Requested Total	2020-21 March Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
General Fund Discretionary	\$1,194,069	\$0	\$1,143,949	96%
General Fund Overhead	\$1,466,742	\$0	\$1,466,742	100%
Interagency Revenue	\$324,806	\$179,216	\$283,435	87%
Sum:	\$2,985,617	\$179,216	\$2,894,126	97%

Revenue Discussion

The City Budget Office is projected to end FY 2020-21 within the adopted resources from the General Fund and interagency payments. Interagency revenue is mostly a direct charge function where expenses will equate to revenues billed to Water Bureau and the Bureau of Environmental Services. General Fund resources are projected to end the year at 97.5% collected, which equates to \$69,655. Unspent resources will fall to General Fund balance.

Revenue Risks

There is no risk to revenue collections for these resources.

Expenditure Discussion

The CBO is projected to remain within current appropriations for expense categories. Personnel Services is projected to end the year with 98% spent, and this amount is ultimately dependent on positions remaining filled. The bureau estimates an expense of approximately \$60,000 to occur this spring as CBO has recently updated their service contract with the budget software and anticipates spending this amount in full by June 2021

Expenditure Risks

There are no known risks to the expense projections.

Other Notes

Business Area Projection Report

City Budget Office - Fund 227

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Personnel	\$10,000	\$0	\$10,000	100%
Sum:	\$10,000	\$0	\$10,000	100%

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Miscellaneous Fund Allocation	\$10,000	\$0	\$10,000	100%
Sum:	\$10,000	\$0	\$10,000	100%

Revenue Discussion

CBO projects to collect the budgeted amount of \$10,000 for costs associated with management of the Recreational Cannabis funds.

Revenue Risks

There is no known risk to this revenue projection.

Expenditure Discussion

Expenditures for Personnel Services are expected to end at the budgeted amount of \$10,000.

Expenditure Risks

There is no known risk to this expenditure category.

Other Notes
